

# Budget Narrative

## The Budget Process

### *Two-Year Budget Process*

This budget process has been especially difficult due to the combination of limited increases in general fund revenues and the rising increases associated with the Sheriff's Office budget, the Countywide charges for workers' compensation, health insurance, and property/liability insurance.

Our goals in developing this two-year budget were to:

Improve long-range and strategic planning by considering program and budget needs over a longer horizon.

Link operating and capital spending through detailed budgets over a minimum of two years.

Reduce the organizational resources dedicated to budget development in the second year of the budget cycle and redeploy staff to other critical functions and activities.

## Overall Budget Summary

The total budgets for FY 2003/04 and FY 2004/05 are:

Adopted FY 2003/04	\$545,776,787
Approved FY 2004/05	\$476,993,854

The two-year budget continues most County services at their current level. The dramatic decrease of \$68M or 12.6% in FY 2004/05 is due to reduced fund balances which would be carried forward if planned capital projects are not completed in FY 2003/04.

However, to balance the budget, we are forgoing many needed and desired improvements in such areas as parks, libraries, and facilities, in order to fund the rising cost of law enforcement operations and to avoid millage increases.

The General Fund budgets are:

Adopted FY 2003/04	\$161,463,572
Approved FY 2004/05	\$171,989,833

A 6.9% increase in the Ad Valorem tax base over the last year's level has resulted in modest revenue increases to the General Fund when compared to our FY 2002/03 budget year. The above budget totals represent increases over each preceding year of 3.5% and 6.5% respectively.

The General Fund has been balanced, in large part, because the BCC departments have actually reduced their expenditures by approximately 1% from current year levels, and by initiating administrative charges of 2% on the Fire Fund and the Transportation Trust Fund to make up for revenue shortfalls. These administrative charges will increase to 4% in FY 04/05. The imposition of these new charges will generate \$1.3M in new revenues in the General Fund for FY 03/04.

The budget holds all BCC-approved millages constant and the Countywide millage for the Natural Lands and Trails debt has been adjusted to reflect changes in the debt service payments. The following chart details all millages included in this two-year budget.

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	Adopted FY 02/03	Adopted FY 03/04	Approved FY 04/05
<b>BCC approved:</b>			
Countywide	4.9989	4.9989	4.9989
Unincorporated			
Roads	.1228	.1228	.1228
Unincorporated Fire	2.6334	2.6334	2.6334
<b>Total</b>	<b>7.7551</b>	<b>7.7551</b>	<b>7.7551</b>
<b>Voter-approved:</b>			
Environmentally			
Sensitive Lands	.0986	.0869	.0864
Trails Development	.1100	.1041	.1005
<b>Total</b>	<b>7.9637</b>	<b>7.9461</b>	<b>7.942</b>

### Personnel

Seminole County continues to have a very modest level of employees per capita compared to other local governments. The FY 2003/04 and 2004/05 budgets include increases of 11 net positions under the Board of County Commissioners in the first year and 11 positions in year two. The increase in personnel represents an increase of less than 1% in each year. The new positions are summarized below.

#### *FY 2003/04*

Administrative Services includes two positions: a staff assistant in Risk Management/Safety to handle the additional workload increase due to worker's compensation claims, litigated claims and the increase in personnel, and a certified tradesworker in Facilities Maintenance to handle additional workload due to completion of the Criminal Justice Center and Juvenile Justice Center.

The Community Services budget includes a probation officer to supervise offenders under intensive supervision and conditional release.

Environmental Services includes three positions: a senior operator to provide support due to the increased number of reclaimed sites that require inspection, a senior coordinator to manage the

Supervisory Control and Data Acquisition/security system full-time, and a senior staff assistant to support the utilities manager, Water Conservation Program, Industrial Pretreatment Program, Cross Connection Control Program and the computerized maintenance system.

Information Technologies budget includes a principal coordinator in Information Services to assist with computer and telephone equipment Countywide; and a coordinator in Telecommunications to improve the quality and quantity of Seminole Government Television Programming.

Library and Leisure Services includes a senior staff assistant for the historical museum to provide additional staff coverage due to the recent expansion project.

Planning and Development includes four new positions: a program manager in Community Development to assist with the HOME program and contract management for the Community Development Office, a senior staff assistant in Community Development to support a nine member staff of the Community Development Office, a technician in Community Development to handle processing of accounts payable and customer application of Community Development programs, and a senior technician in Natural Lands/Trails to assist management in the implementation of the Natural Lands program.

Public Safety includes two tactical radio operators for Emergency Communications/E911 to maintain the current level of service while meeting the increased alarm load, and two positions for EMS/Fire/Rescue consisting of a staff assistant to track transport bill processing

and a logistics technician to support and assist with warehousing, supply

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procurement and delivery, courier services and bookkeeping.

Public Works budget includes a senior coordinator in Traffic Engineering to serve as the Advanced Traffic Management System Coordinator to identify the cause of traffic signal malfunctions.

Finally, the Sheriff's Office budget includes forty-four new positions: three court security deputies to provide security for the Juvenile Justice Center as a result of the facility's expansion, a crime analyst to monitor electronic GPS tracking devices, twenty-nine court security deputies to provide security for the new Criminal Justice Courthouse, eight deputies to provide for the Neighborhood Policing Program, two deputies to enhance traffic enforcement, and a physician to provide inmate medical services at the John E. Polk Correctional Facility.

### ***FY 2004/05***

Administrative Services' budget includes a certified tradesworker and two tradesworkers to Facilities Maintenance to handle the additional workload due to completion of the Criminal Justice Center and the Juvenile Justice Center.

Environmental Services includes a senior operator to support the new Markham Water Treatment Plant per Florida Department of Environmental Protection requirements, a senior operator to support initial setup and continued inspections of an increasing number of reclaimed water sites, and a senior staff assistant to support the computerized maintenance management system, and keep records on approximately 25,000 pieces of equipment maintained by the utility.

Public Safety gains two tactical radio operators to maintain the current level of

service while meeting the increased alarm load.

And finally, Public Works includes a senior team member in Road Operations to mow and maintain roadside swales and ditches to alleviate safety and flooding problems and a principal coordinator/principal scientist in the Stormwater Division to assist in the development, design and implementation of the monitoring of impaired water bodies within Seminole County.

The compensation plan for Board of County Commission departments for fiscal years includes a three percent increase for cost of living adjustments plus an additional one percent for merits and bonuses for a total of four percent salary increases. All departments must stay within the resulting dollars for any reclassifications, salary adjustments and new hire salaries as well as annual cost of living increases, merit increases and bonuses.

Our research has concluded that the combined 4% salary increase is in line with pay increases being awarded on national, state, regional, and local levels in both the public and private sectors. The Constitutional Officers budgeted up to 5% for pay raises.

## **Budget Challenges**

To illustrate the challenge that we have faced in balancing the General Fund, the projected new or additional revenues available for the entire general fund for FY 2003/04 (without increasing fees, charges or taxes) are approximately \$5.5M. Revenue increases are almost entirely attributable to

the 6.9% increase in the property tax base, while other revenues are estimated to

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experience little or no increase over current year levels.

The FY 2002/03 has had a number of far-reaching financial events which are directing the path of our next two budget years.

The Stormwater Program continues to lack a dedicated funding source to cover its operations and continues to rely on a mixture of temporary funding sources. Grants have been the mainstay of Stormwater Capital Projects but these are becoming more difficult to secure. There is currently no dedicated funding for our \$5.5 million in much needed stormwater capital improvement projects in FY 2005/06.

Sales tax revenues reflect a moderate recovery in the economy by an estimated 3% increase in receipts for FY 2002/03 over the previous year. Projections for FY 2003/04 and FY 2004/05 are relatively flat due to the potential impact of Article V legislation. A preliminary analysis of the fiscal impact in implementing Article V legislation estimated the initial cost to the County to be approximately \$2.7M in FY 2004/05 and approximately \$1M in future years. It is anticipated that normal growth for sales tax revenues will resume after this biennial cycle.

Construction of a new courthouse, plus expansion of the Juvenile Justice Center and renovation of our current courthouse will cost over \$50M. A financial plan has been developed that implements the projects within current tax rates and funding levels. Debt service for the bond issue will level out at \$3.3M per year in six years.

Health insurance, workers compensation, and other insurance costs have had a

major impact on Seminole County as with most other businesses and governments. Health insurance costs are included at an 18% increase, workers' compensation at a 42% increase and property and liability insurance at a 39% increase. These costs are allocated to the various departments and therefore have impacted all funds Countywide.

- It is also important to note that a change in past budget practices whereby the Health Insurance and Workers' Compensation costs associated with the Constitutional Officers were not included in their individual budget. The cost was instead reflected separately within the General Fund but now is included within their adopted budgets. These costs are now shown in the totals for the Clerk of the Court, the Property Appraiser, the Sheriff and the Tax Collector.
- Due to the implementation of Article V legislation during the 2003 legislative session, this budget will be impacted as it relates to our funding responsibilities to the Court system. The exact impact of the legislation is still being ascertained. This budget assumed the status quo responsibilities for the first 3 quarters of FY 2003/04. The funds related to the 4th quarter (beginning July 1, 2004) are being placed in a restricted status until the specific County funding responsibilities can be determined. It is likely that the final responsibilities will not be known until after the 2004 legislative session. It is important to note that our expenditure liabilities are not the only area of budgetary impact. The legislation has also reduced our Half-Cent Sales Tax by 5.4% and State Revenue Sharing by 9.2% effective July 1, 2004.

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## Budget Highlights

We have developed a two-year budget plan that continues the County's tradition of excellence in government services. Here are a few highlights:

No increases in tax rates are included in either year.

- A study will be completed during FY 2003/04 to update the County's Compensation and Classification system which was last analyzed in 1997. Recommendations will be made to improve current base pay systems, to include job analysis process, job descriptions format and general content, job evaluation system, band classification system, methodology for pay range development, methodology for base pay adjustments. There will also be recommendations to improve the market competitiveness of benefit programs and major practices, to include; salary, paid time off, health insurance coverage (including medical and dental plans), optional benefits, holidays, deferred compensation, Florida Retirement System, flexible work hours and service awards.

October 2003, Public Safety budgeted \$1M as the first installment for the purchase of a planned \$2.4M parcel of property for use as a Fire/Rescue Emergency Training Center. The property includes a 40,000 square foot building and 19 acres to be used in a partnership with Seminole Community College for a future burn building and possible emergency driving track. Public Safety personnel will use the training center for "hands-on" training activities which are currently dependent upon structures slated for demolition with the availability of sites being very sporadic. The need to utilize overtime to

schedule training courses in Orange or Volusia Counties due to a lack of facilities will be eliminated.

The Engineering Division, Special Projects Section (Trails Program) will initiate design of a segment of the Cross Seminole Trail Connector (2.5 miles), construction of the Seminole Wekiva Trail Markham Trailhead, and the Seminole Wekiva Trail SR-434 Overpass (Altamonte Springs) project. Projects scheduled over the next two fiscal years include: Construction of 13.5 miles of paved and 18.1 miles of unpaved trails and the design of 2.7 miles of paved trails.

Funding to accommodate the pressing expansion needs of our court and juvenile court facilities is included in this budget. This funding source will support the construction of a new Criminal Justice Facility in the area of Five Points, renovation of our current courthouse in Sanford, and expansion of our current Juvenile Justice Center.

Over 50 water, wastewater, and solid waste projects are underway with the overall utilities capital improvement program reaching over \$93 million in the next 5 years. The projects include expansion of Consumers, Lake Monroe and Lake Hayes Water Treatment Plants, as well as upgrades to the landfill and transfer stations and improvements to the Markham Water Treatment Facility.

The County, in partnership with Seminole Community College and the Small Business Administration, supports a Business Incubation Program that provides technical assistance, access to low-cost space, entrepreneurial training, business plan development and access to financing for companies ranging from new business start-ups to expansions.

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Additionally, a new business incubator facility has been constructed at the Orlando Sanford Airport, providing new space for the creation of “home-grown” companies.

Implementation is under way of a much-needed integrated solution to the current array of software and computer programs which have evolved over the years in response to localized needs. JD Edwards software has been selected by the Clerk of the Court and they are in the process of implementing it to integrate many of our unique computer software systems. The new software is scheduled to be operational by the spring of 2004. Benefits from an integrated system will be derived from efficiency of operation internally as well as for our external customers and in the accuracy and reliability of data.

\$25.7 million in FY 2003/04 and \$17.1 million in FY 2004/05 are earmarked for major transportation projects under the one cent sales tax program.

Accomplishments over the past year and initiatives planned for the next two years are highlighted in the various departmental chapters in this budget document.